

# HOUSE BILL No. 1213

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 24-4.6-5.

**Synopsis:** Disclosure of credit card terms. Requires credit card issuers to put certain terms in at least 12 point bold print. Establishes penalties for violations.

**Effective:** July 1, 2005.

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January 6, 2005, read first time and referred to Committee on Financial Institutions.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1213

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 24-4.6-5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2005]:

4 **Chapter 5. Disclosure of Credit Card Terms**

5 **Sec. 1. (a) As used in this chapter, "credit card" means a card,**  
6 **plate, coupon, or other similar device that allows the holder to:**

7 **(1) pay for a good or service; or**

8 **(2) obtain a cash advance;**

9 **and to defer the payment of the debt incurred by the holder in the**  
10 **transaction under the terms and conditions agreed to by the holder**  
11 **and the issuer of the card, plate, coupon, or device.**

12 **(b) The term includes the extension of credit in the manner**  
13 **described in subsection (a) for which no periodic rate is used to**  
14 **compute a finance charge.**

15 **Sec. 2. As used in this chapter, "Regulation Z" refers to**  
16 **regulation 12 CFR 226.5a issued by the Board of Governors of the**  
17 **Federal Reserve System to implement the federal Truth in Lending**

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1 Act (15 U.S.C. 1601 et seq.).

2 Sec. 3. As used in this chapter, "solicitation" means an offer to  
3 establish a credit card account that does not require the person to  
4 whom the offer is made to complete an application for credit.

5 Sec. 4. The requirements of this chapter do not apply to a fee,  
6 charge, rate, cost, or other item contained in a credit card  
7 application, solicitation, or billing statement governed by the  
8 disclosure requirements of Regulation Z.

9 Sec. 5. A:

- 10 (1) fee;
- 11 (2) charge;
- 12 (3) rate;
- 13 (4) cost; or
- 14 (5) deadline for a rebate offer;

15 contained in a credit card application, solicitation, or billing  
16 statement, whether relating to a credit card or an offer for a  
17 separate good or service, must be in at least 12 point bold type.

18 Sec. 6. (a) An issuer of a credit card application, solicitation, or  
19 billing statement who violates this chapter is subject to a civil  
20 penalty of not more than one thousand dollars (\$1,000) for each  
21 violation.

22 (b) The attorney general may:

- 23 (1) investigate a complaint regarding;
- 24 (2) seek injunctive relief for;
- 25 (3) seek victim restitution for; and
- 26 (4) institute an action to impose and collect a civil penalty for;

27 a violation of this chapter.

28 (c) A civil penalty collected by the attorney general under this  
29 section must be deposited in the state general fund.

30 SECTION 2. [EFFECTIVE JULY 1, 2005] IC 24-4.6-5-5, as added  
31 by this act, applies to a credit card application, solicitation, or  
32 billing statement that is sent to a person after June 30, 2005.

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